

MAY 4, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON MAY 4, 1981 AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

SAND AND GRAVEL LEASE APPROVED JB

MLA 38989

The Department of Transportation has submitted application for a sand and gravel lease near Crescent Junction, in Grand County, on lands described as follows:

T22S, R18E, SLM
Section 16: $W\frac{1}{2}NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$

The material will be used in surfacing a portion of I-70, and approximately 300,000 c.y. will be extracted from the lease site. This area has sparse vegetation and is presently limited to use for grazing. It is located about one mile from the present highway.

Upon recommendation of Mr. Blake, the Director approved this Sand and Gravel lease with a royalty rate of 15¢ per cubic yard for a term of 5 years.

ACCEPTANCE OF PERFORMANCE BOND ON COAL LEASES - ML'S 38470, 38640, AND 38731 JB

C.B.J. Mining Company has submitted a surety bond #5773829 in the amount of \$5,000 with Western Surety Company, as surety to assure performance of exploration operations on the above numbered Coal leases. The bond appears in order and upon recommendation of Mr. Blake, the Director approved this performance bond.

REQUEST FOR APPROVAL OF THE FRANKLIN UNIT EWB

Toledo Mining Company, operator of the Franklin Unit, has filed this unit for approval by the State of Utah. The Franklin Unit is located on the south edge of the Bookcliff Mountains in Grand County. This unit contains 20,490.62 acres of which 18,516.78 acres or 90.37 percent are Federal lands and 1,973.84 acres are State lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 100 feet of the Entrada Formation, but not to exceed 2,900 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit.

ML 28159	Toledo Mining Company
ML 28160	Toledo Mining Company
ML 29779	Husky Oil Company

It is not known at this time whether or not these leases will be committed to the unit. Upon recommendation of Mr. Bonner, the Director approved this Unit.

REQUEST FOR APPROVAL OF THE TUMBLEWEED UNIT EWB

Toledo Mining Company, operator of the Tumbleweed Unit has filed this unit for approval by the State of Utah. The Tumbleweed Unit is located on the south edge of the Bookcliff Mountains in Grand County. This unit contains 9,809.31 acres of which 9,169.31 acres or 93.48 percent are Federal lands and 640.00 acres or 6.52 percent are State lands.

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REQUEST FOR APPROVAL OF THE TUMBLEWEED UNIT CONTINUED

Continued from Page 2

The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 200 feet of the Paradox Formation, but not to exceed 14,250 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions. Following is the only State of Utah lease in this unit:

ML 28741 Lear Petroleum Corporation

Upon recommendation of Mr. Bonner, the Director approved this Unit.

REQUEST FOR APPROVAL OF THE WOODSIDE UNIT

May Petroleum Incorporated, operator of the Woodside Unit, has filed this unit for approval by the State of Utah. The Woodside Unit is located about 20 miles northwest of Green River, just west of U.S. Highway 50 and 6. This unit contains 23,996.58 acres of which 20,781.98 acres or 86.60 percent are Federal lands and 3,214.60 acres or 13.40 acres are State lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 215 feet of the Leadville Formation, but not to exceed 7,500 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit.

ML 31218	May Petroleum Inc. - 75%
	PRM Exploration Company - 25%
ML 32284	The Anschutz Corporation
ML 34910-A	May Petroleum Inc.
ML 34586	Cities Service Company
ML 38198	Richard L. Peterson
ML 38637	Celeste C. Grynberg

Richard L. Peterson, lessee of ML 38198 will not join the unit. All other leases have been committed to the unit.

Upon recommendation of Mr. Bonner, the Director approved this Unit.

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SURFACE BUSINESS MATTERS

RIGHT OF WAY APPLICATIONS APPROVED

RIGHT OF WAY NO. 2126 MMW

Odegard Resources Inc., 650 South Cherry Street, Denver, CO 80222, has submitted an application for an easement for a road access right of way to oil well 2100 feet (127.27 rods) long, 12 feet wide across the following described State lands in Grand County.

T16S, R24E, SLB&M
Section 2: NE $\frac{1}{4}$

Grand County

The initial payment is \$445.45, plus a \$20.00 application fee, for a total of \$465.45 and a \$10.00 payment every three years beginning January 1, 1981. School fund.

Upon recommendation of Mr. Wall, the Director approved this Right of Way.

RIGHT OF WAY NO. 2128 MMW

Colorado Interstate Gas Company, P. O. Box 1087, Colorado Springs, CO. 80944, has submitted an application for an easement right of way for an above ground four (4") inch natural gas pipeline totaling 2282 feet (138.30 rods) long and fifty (50') feet wide to be based on \$5.50 per rod X 138.20 rods = \$760.65.

T9S, R21E, SLB&M
Section 35: NW $\frac{1}{4}$
Section 36: NW $\frac{1}{4}$
Totals 2282 feet long

Uintah County

The initial payment is \$760.65, plus a \$20.00 application fee for a total of \$780.65 and a \$10.00 payment every three years beginning, January 1, 1984. School fund.

Upon recommendation of Mr. Wall, the Director approved this Right of Way.

RIGHT OF WAY APPLICATION NO 2131 DM

Garkane Power Association, Inc. P. O. Box 748, Richfield, Utah 84701. has submitted an application for a 138 Kv Transmission line across the following State land:

Township 23 South, Range 1 West, SLBM
Section 32 Sevier County
Township 24 South, Range 1 West
Section 16 Sevier County

Initial Payment is \$2,770.50 based on 60% appraised value of 250/acre for 18.47 acres plus a \$20.00 application fee for a total cost of \$2790.50. School Fund. \$10.00 payment every three years, beginning Jan 1, 1984.

Upon recommendation of Mr. Brown, the Director approved this Right of Way.

MAY 4, 1981

GRAZING PERMITS

GRAZING PERMITS ASSIGNMENTS APPROVED

GP 20464

Qm

This lease is presently in the name of White Ranches, Incorporated, Donald Holyoak, and Stewart Sommerville.

This office is in receipt of an application to assign Stewart Sommerville's interest in this lease to Donald W. and Kathleen K. Holyoak, Spanish Valley, Moab, Utah 84532; also received an application to assign from Donald W. and Kathleen K. Holyoak's interest to White Ranches, Incorporated.

Upon recommendation of Mr. Brown, the Director approved the assignments of this grazing permit; therefore, GP 20464 will now be issued entirely to White Ranches, Incorporated.


GP 21133, GP 20552, GP 20577, GP 20443, GP 19390

Qm

White Ranches, Incorporated, have submitted assignments of their interest in the above grazing permits to Donald W. and Kathleen K. Holyoak, Spanish Valley, Moab, Utah 84532.

Upon recommendation of Mr. Brown, the Director approved the assignment of these grazing permits.

<u>INTEREST RATES</u>	<u>CURRENT</u>	<u>YEAR AGO</u>
Prime Rate	18.00	15.75
Federal Funds	9.50	7.40
Discount Rates	13.00	12.00


WILLIAM K. DINEHART, DIRECTOR
DIVISION OF STATE LANDS/FORESTRY


VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209